Request for loan by FIA

2351. SHRI N.R. GOVINDARAJAR: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines is set to show losses of Rs. 10,000 crores this year and the volume of passengers down by over 11 per cent this year;

(b) if so, the details thereof;

(c) whether the Federation of Indian Airlines (FIA) has requested for interest free loan with a three year moratorium on repayment;

(d) if so, the details thereof and the steps taken by Government to bailout Indian Airlines;

(e) whether FIA also asked for rationalization of aviation turbine fuel prices to match global levels and reduction of existing airport charges; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) National Aviation Company of India Limited (NACIL), (into which both erstwhile Air India and erstwhile Indian Airlines have merged in 2007) has projected a loss of 2156 crores for the financial year 2008-2009. However, the projected loss is likely to vary due to steep increase in fuel prices in the first half of the current year, decline in traffic on account of economy downturn, decline in yield, appreciation of dollar etc. The number of Passenger carried by NACIL decreased to 53,42,432 during April-September, 2008 as compared to 75,15,214 during April-September, 2007 a decline of 29%.

(c) No, Sir.

(d) The following steps have been taken by the Government to help the domestic aviation industry which *Inter-alia* are as under:

1. Custom duty on import of ATF has been abolished.
2. The Oil Companies have staggered the dues of Airline Companies over six months. Oil Companies have also extended the credit period.
3. With the fall in global crude prices, the Oil Companies have been reducing ATF prices since September, 2008. They have also started announcing the ATF prices on a fortnightly basis rather than monthly basis which is helping the Airlines when the crude prices are going down.

(e) and (f) Federation of Indian Airlines (FIA) had generally been requesting rationalization of sales tax on Aviation Turbine Fuel (ATF) and reduction of existing airport charges. India is among the most expensive countries to buy ATF. Till few months back, the ATF prices in India were almost 70% higher than international prices.

Transportation Safety Board

2352. SHRIMATI MOHSINA KIDWAI:
SHRI RAJEEV CHANDRASEKHAR:

Will the Minister of CIVIL AVIATION be pleased to state: